

DISCUSSION PAPERS EIGHTH GERMANY-ISRAEL STRATEGIC FORUM

2020











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Introduction

FSD – An Israeli Perspective for Panel 2

The Forum of Strategic Dialogue (FSD), the European Leadership Network (ELNET), the Federal Academy for Security Policy (BAKS) and the Hanns Seidel Foundation (HSS) are looking forward to welcoming all participants of the Eighth Germany-Israel Strategic Forum. Once again, we are expecting frank discussions, open exchanges and the continued search for mutual interests, as well as new opportunities for cooperation. We do hope that the first Germany-Israel Strategic Forum to be held virtually will not interfere with the candid spirit of our classic in-person format, but make it more flexible. To provide a common basis for discussions and food for thought – the Hanns Seidel Foundation prepared short discussion papers for both sessions, our partners from the Forum of Strategic Dialogue drafted short responses to these impulses, portraying Israeli points of view.



HSS DISCUSSION PAPER

by Prof. Dr. Gisela Dachs
European Forum at the Hebrew University



German-Israel Strategic Forum, December 2, 2020

Panel 1: The breakthrough towards Israeli-Arab normalization: Its potential impact on the region and on the Israeli-Palestinian conflict

"The Israeli-Palestinian Conflict: New approaches to an enduring conflict" Time for a Re-Set

Europe seems to have remained stuck in its foreign policy. Looking for new ways to approach the Middle East does not have to come on the account of the Palestinians.

When Federica Mogherini became the European Union's High Representative for Foreign Affairs and Security Policy in November 2014, she was optimistic about the future of the Israeli-Palestinian relationship. At the time, she suggested that it might even be possible to reach a two-state solution within her five-year term. In December 2019, her successor, Josep Borrell, took over the reins at the EU foreign office, without any progress whatsoever on the Israeli-Palestinian front. Mogherini's statement - raising high expectations - illustrate Europe's declarative skills that have been central to the formation of its common foreign policy¹, but which appear often quite removed from the realities on the ground.

Today, many Israelis have adopted a narrative that is not entirely unjustified, namely that whenever their army withdraws from territories – for example, from Lebanon in 2000 and the Gaza Strip in 2005 – the tendency is for Islamists to then take control in those areas and maneuver into a better position to attack Israel. In this case, however, security concerns also overlap with ideological claims. The Two-State solution seems far-fetched for most, at least for the foreseeable future.

At the same time, how much irrelevant it might have been declared by both camps on the left as well as on the right, the two-states-paradigm remains the only viable game in town if Israel seeks its long term future as a Jewish and democratic state. Rabin's basic premise that the Israeli state cannot be simultaneously Jewish, democratic and all-embracing continues to apply to this day. This premise is also ultimately accepted by Israelis who see it as their historical birthright to settle on biblical soil. In other words, in order to safeguard the Zionist project, they see it as necessary to separate from the Palestinians. The hard question remains of how to do this in a safe manner that preserves Israel's defense needs.

¹ Anders Persson (2020) *Eu Diplomacy and the Arab-Israeli conflict, 1967-2019*. Edinburgh University Press.



When it comes to assess power in the Middle East, a double asymmetry has characterized the European-Israeli relations for a long time. Israelis have always perceived their country more as a threatened island in a mostly hostile Middle East than as the powerful occupier of the Palestinians – which is the image that dominates the European perception. Having more allies in the region, would not only make Israelis feel safer, but also impact public opinion as how to deal with the Palestinian question. According to a recent Mitvim Poll, 34% of Israelis think that the Israel-UAE agreement increases the prospects of achieving Israeli-Palestinian peace, compared to 12% who think it decreases the chances. 40% think that the agreement does not make a difference.

The recent Abraham accords reversed a deeply entrenched European view of the conflict. A long lasting EU vision of peace stipulated that a resolution of the Israeli-Palestinian conflict precedes all other reconciliation moves in the region with the Jewish State. This inside-outside approach has now been outdated by the normalization of Israel's relations with the United Arab Emirates, Bahrain and Sudan. Europe, being at odds with (the now outgoing) President Trump, was not only absent from the signing ceremony in the While House, but reacted only reluctantly to these breakthroughs.

While the incoming US President Joe Biden intends to take a different path in his foreign policy from his predecessor, he certainly will uphold this part of the Trump legacy. The Abraham accords remain therefore an invitation for European leaders to rethink their policy approach by taking into account the underlying geostrategic and generational changes in the region. Since the onset of the Arab uprisings in 2011, many regimes have viewed the Israeli-Palestinian conflict as just one of several conflicts in the region. Priorities have shifted from traditional political considerations to urgent economic needs with Israel as a partner for cooperation. Moreover, the need to counter Iran's regional ambitions has all become an alternative frame of reference to Israeli-Arab relations. Instead of watching from afar, Europe should be at the forefront of the effort to promote this new regional dynamic as a conciliatory path.

The potential of the "outside-in" approach is indeed worthwhile to be further explored. Enhancing Israel's regional normalization does not have to mean a withdrawal from the Palestinian issue. The fact that the Abraham accords were enabled by the Israeli commitment to put annexations plans on hold, offers new perspectives that could influence the current political stalemate. The regimes in the United Arab Emirates and other Gulf States are not strong enough to disregard criticism from the opposition and if they are to ensure the stability of their regimes, they have to make diplomatic moves supported by the broader public. Such steps might include initiatives designed to foster progress on the Israeli-Palestinian front, drawn from regional action strategies similar to the Arab Peace Initiative from 2002. A collective move, especially if it involved Saudi Arabia, would also positively impact the Israeli public opinion.

Europe with its own rich regional experience could actively encourage such multilateral moves. This could also be translated by a revival of the Middle East Quartet enlarged by other relevant members – such as the new allies of Israel in the region. Another possible scenario could be a return to secret negotiations with more actors.



Although foreign policy might not be among his first priorities, Joe Biden is likely to continue seeking new partners in the Arab world for peace agreements with Israel. His election makes it easier for the Palestinians to climb down the tree and to finally re-engage again with Israel - a move halted by the perception of Donald Trump as being unabashedly pro-Netanyahu.

The challenge now remains to reengage Israelis and Palestinians in a process that seems promising to all sides by looking for a way out of the zero-sum game that dominated in the last decade again the field of peace making. A close transatlantic cooperation would be highly beneficial for such a process, so as not to falling back into old patterns with the Palestinians counting on Europe to help them ending the occupation by pressuring/boycotting Israel. Instead of cultivating victimhood only, the Palestinians need as well to reconsider their own role as a responsible actor including a reassessment of failed past strategies. Pressure should be put on both sides to implement things already agreed upon.

Furthermore, the narrow focus on territory pushes aside that there are also other important issues at stake in this conflict related to collective rights and national identity. The Israeli insistence to have their state recognized as a Jewish in a future agreement points to this and behind it is much more than merely a diplomatic tactic to hamper progress. These concerns have to be taken more seriously once negotiations have become once again a realistic path.

If this were to occur, the next question would be who exactly the Israelis would meet at the negotiating table. The Palestinians are still deeply divided into two political camps: the Hamas in Gaza and the President Mahmud Abbas' Fatah party ruling the West Bank. However, both camps are struggling for legitimacy in the eyes of their own populations, and many Palestinians would like to see new forces come to power. As Abbas is 85 years old, many are watching out for what the era after him might bring.

This shift is particularly noticeable among Palestinian youth, who have become increasingly alienated from Palestinian politics and elites. According to a recent poll of the Palestinian Center for Policy and Survey Research (PSR) in Ramallah, Palestinian support for a Two-State-Solution is at an ever low, from 55 percent in 2011 to only 39 percent in summer 2020. While the younger generation seem to be politically more radical than their parents, they are also likely to change their mind if progress - embedded in a larger regional framework - comes along. In the case of a continued absence of a united Palestinians leadership, Israel could renew the talks and bilateral links with the Palestinian Authority on the one hand, and make also progress toward implementation of an arrangement with Hamas in the Gaza Strip on the other hand.

Whatever happens, the Middle East is currently undergoing a rebalancing of power that creates new horizons for both Arabs and Israelis. Europe could positively influence these regional dynamics by supporting normalization moves in the region as well as by re-strengthening transatlantic ties. Germany, which is seen by Israelis as the third most important country for them after the US and Russia, could have an important role in this.



FSD - AN ISRAELI PERSPECTIVE

Germany-Israel Strategic Forum, December 2, 2020



Panel 1: The breakthrough towards Arab-Israeli normalization: Its potential impact on the region and on the Israeli-Palestinian conflict

This year's Germany-Israel Strategic Forum is held in light of two very significant developments — the election of a new administration in the U.S. and the breakthrough towards Arab-Israeli normalization. These developments are likely to have a major impact on the region in the coming years.

Israel's recent normalization agreements with the UAE and Bahrain (later followed by Sudan) are very different than Israel's previous peace agreements with Egypt (1982) and Jordan (1994). The previous agreements essentially formalized non-belligerency between neighboring countries with a bitter history of wars and disputes, but never led to the full normalization they were supposed to and remained "cold peace." Now, Arab countries who have no border and no direct dispute with Israel are leaping directly to full normalization, not only between governments but also between peoples.

Why did the UAE decide to step forward and normalize relations with Israel? The official Emirati explanation highlights its desire to stop an Israeli move to applying Israeli sovereignty in the West Bank. However, this desire was only the immediate trigger. The deeper reasons are to be found in several seismic undercurrents coming together and surfacing.

The region is plagued by daunting geopolitical and socio-economic challenges resulting in inherent instability, multiple failed or failing states and acute socio-economic crises – all further exacerbated by COVID-19. It has just experienced a decade of extreme, violent upheavals (what started as the so-called Arab Spring), continues to grapple with the ideological and practical challenge of jihadism (despite the territorial defeat of ISIS), and above all feels seriously threatened by Iranian and now increasingly Turkish hegemonic ambitions.

Against this background Israel is increasingly viewed as a potent actor holding the potential to make a real contribution to the region's stability and well-being, and wielding considerable influence in Washington. In recent years, the major Sunni Arab countries and Israel have been developing close, below-the-radar cooperation, mostly but not exclusively on security. Israel's determined push-back against Iran in Syria no doubt added value in the eyes of relevant Arab actors to cooperating with Israel.



In recent years, this attitude has gathered steam in the region, though anti-Israel sentiments are still widespread in it. Informing this line of thought is a broad regional perception that the United States is in a historic mode of retreating from the region because the region is less important to it. There is also growing regional criticism on the Palestinian leadership (as recently expressed by Prince Bandar Bin Sultan) for running a corrupt enterprise, being ungrateful to the Arabs and repeatedly missing opportunities to advance a peaceful solution to the conflict. More and more Arab states refuse to grant the Palestinians a veto power over their decisions on developing relations with Israel in support of their own national security interests.

The trajectory of Arab-Israeli normalization is likely to continue in the Biden era because it represents the self-interest of regional actors. The Biden administration will support and encourage it, though it may not push for it as hard as the outgoing U.S. administration. It is also reasonable to expect that some of those regional actors who will follow the UAE may not go all the way to full normalization but take partial measures in that direction.

Israeli-Arab normalization could well translate into a regional strategic agenda, given converging threat perceptions about the Iranian-led axis (including shared concerns regarding a possible re-entry of the Biden administration to the JCPOA on its original terms), Turkey's regional ambitions and political and jihadi Islamists (including shared concerns lest the Biden administration follows the Obama administration in viewing it as part of the solution).

The Biden administration is not expected to give the Israeli-Palestinian conflict a high priority and will likely avoid launching a peace plan or focusing on Israeli-Palestinian negotiations at an early phase of its tenure. It will however focus its attention on keeping the window open to a future two-state solution, including taking the issue of annexation off the table, opposing settlement expansion and shoving the Trump peace plan. In this context, it might examine ways of using Israeli-Arab normalization to open space for future Israeli-Palestinian peacemaking by encouraging the Arabs to play a bigger role in it.

Europe should be part of all of this, not only an observer or bystander. It should align itself with the new and emerging realities in the region, play a role in fostering Israeli-Arab normalization for the sake of improving the regional stability and well-being, and view it as an opportunity to build bridges to improve Israeli-Palestinian relations and chances for peace. The expected revival of trans-Atlantic close cooperation in the Biden era affords it the opportunity to play such a role.



HSS DISCUSSION PAPER

by Dr. Ulrike Franke
European Council on Foreign Relations



German-Israel Strategic Forum, December 2, 2020
Panel 2: Al as a game changer in global geopolitics: Common challenges and cooperation.

Al as a game changer in global geopolitics: Common challenges and cooperation

"Artificial intelligence" (AI) is the buzzwords of the decade. It has become commonplace to note that the use of AI will have immensurable consequences for economic development, with impact on social and democratic life, labour markets, industry development, and more. An often-cited McKinsey study notes that AI has the potential to deliver additional global economic activity of around \$13 trillion by 2030. It is believed that AI will have an important part to play in finding the answers to humanity's biggest challenges, from addressing climate change to fighting cancer and even halting the ageing process. At the same time, warnings that AI could lead to widespread unemployment, rising inequality, the development of surveillance dystopias, or even the end of humanity are worryingly convincing.

What is AI? A short explainer

Al refers to efforts to build computers and machines that can perform actions one would expect to require human intelligence, such as reasoning and decision-making. Currently, the most important advances in Al are being made through machine learning techniques, particularly "deep learning" and neural networks. Machine learning systems use computing power to execute algorithms that learn from data. Given this, one way to understand Al is as a shift from humans telling computers what to do to computers learning what to do.

Despite discussion of the possible emergence of "general artificial intelligence" ("superintelligence"), today's Al applications are "narrow", meaning that they focus on a specific task. In fact, today's Al tends to be both narrow as well as "brittle", as it fails to complete tasks that slightly differ from its training.

Al is a general-purpose technology like the steam engine, electricity, the computer, or the internet. These technologies have in common that their adoption has consequences well beyond the economy, as they can influence social cohesion, impact human wellbeing, change geopolitical balances and more. In fact, it is not even advisable to think of Al as a technology – given the many possible applications of Al, it is more accurate

The geopolitical consequences of AI may be equally, if not more, important than the economic effects

With most attention being focused on economic prospects, the geopolitical implications of AI were initially overlooked. More recently, however, international technology competition has drawn the limelight,



namely in the context of the 5G debate.² Three scenarios are imaginable as to how AI may impact the global strategic balance, with a fourth development potentially being caused by concerns over the first three scenarios.

1. The economic impact of AI leads to changes in economic and thereby geopolitical power

The invention of the steam engine was an economic advancement – but beyond that, it had important repercussions on international stability as it gave England an edge over its continental European rivals. In a similar vein, Al-enabled technological advances may give a country a considerable economic boost which may catapult it ahead of all others.

2. The first to develop "General Artificial Intelligence" will rule the world

The idea that a lead in AI may translate into global leadership is particularly convincing in the context of the development of "General Artificial Intelligence". General AI can learn different tasks, and do so by itself. It may be able to understand and learn any intellectual task that a human being can, and potentially go beyond it and reach "Superintelligence". ³ There is discussion among experts on when, if at all, superintelligence might happen. But if it were to emerge, whichever state controls such a machine would get a power boost that is likely to be uncatchable.

3. Al-enabled military capabilities change the (military) balance of power

Al is increasingly used in the military realm, with armed forces around the world investing considerable funds into research, development and testing. The US defence budget for 2021 allocates \$1.7 billion to autonomy and the development of "human/machine teaming," as well as \$800 million to other Al-related programmes.⁴ There are a multitude of Al applications for security and defence:

Select military AI applications

- Intelligence, surveillance, and reconnaissance (ISR)
- Logistics (predictive maintenance, efficient shipping, autonomous transport systems)
- Cyber operations (defensive and offensive)
- Command and control (centralised planning that combine various flows of information, from different sensors, into a single source of intelligence)
- Semi-autonomous and autonomous vehicles and weapons (including lethal autonomous weapons systems (LAWS)
- Swarming, i.e. the coordination of many units working together
- Forecasting

² https://ecfr.eu/article/commentary europe 5g and munich the china challenge and american mission/

³ For more on the debate on superintelligence, see Nick Bostrom, *Superintelligence: Paths, dangers, strategies, Oxford University Press, 2014.*

⁴ https://cset.georgetown.edu/wp-content/uploads/U.S.-Military-Investments-in-Autonomy-and-Al Strategic-Assessment.pdf



• Training (using methods such as war games and simulations)

If any of these Al-enabled military capabilities were to give one actor a decisive military advantage (like the introduction of nuclear weapons did), this could fundamentally change the strategic balance.

4. The race for AI itself may create conflict

There is a danger that geopolitical conflict may arise from concerns over these three scenarios. Geopolitical conflict due to AI may thus become a self-fulfilling prophecy. One can already observe this effect today, as discussions about an "AI arms race" abound, a term liked and loathed by experts in equal measure. The United States and China are accusing each other of AI nationalism, while at the same time imposing export controls and aiming to create supply chains without the other's involvement.

Finally, it is worth noting that private companies are gaining importance over states, as a lot of cuttingedge AI research is taking place in private research labs.

German and European interests

Europeans have understood Al's importance. As of November 2020, 21 of the EU's 27 member states have published national Al strategies in which they identify areas of focus, develop recommendations, and decide funding priorities. Many of these strategies are ambitious; Czechia, for example, has set the goal to become "a model European country for Al", and Denmark wants to be "a front-runner in responsible development and use of artificial intelligence". But the strategies reveal that in Europe, Al is primarily seen through economic lenses. Almost all strategies are written by, or under the leadership of economy ministries. With very few exceptions, most notably France, no EU country engages with the challenges posed by the way Al development might impact geopolitics, the international balance of power, or the future of military conflict.⁶

This is also the case for Germany, whose 2018 AI strategy focuses primarily on economic challenges (and, to a lesser extent, opportunities) to the *Mittelstand*, Germany's small to medium-sized companies. Germany also supports the responsible development and use of AI, guaranteeing social and individual rights – efforts known as "ethical AI" development. The EU early on defined the ethical implications of AI as a primary area of interest and work, and has developed several regulation proposals for ethical and trustworthy AI.⁷

⁵ https://www.cnet.com/news/the-us-china-and-the-ai-arms-race-cutting-through-the-hype/

⁶ For more on this see

https://ecfr.eu/publication/not_smart_enough_poverty_european_military_thinking_artificial_intelligence/

⁷ https://www.politico.eu/article/europe-silver-bullet-global-ai-battle-ethics/ and https://www.politico.eu/article/europe-commission-andrus-ansip-hopes-ethical-approach-will-be-its-edge-in-global-ai-artificial-intelligence-race/



International cooperation

There is a growing interest in international cooperation on AI. In particular the United States have begun reaching out to allies, in an effort to counter China's attempts at dominating international technology standardisation bodies.⁸ Several new fora have been proposed by different actors;

- The British government wants to create the **D-10**, a technology partnership (initially primarily focused on 5G) of ten democracies: Australia, Canada, France, Germany, India, Italy, Japan, South Korea, the UK, and the US.⁹
- The Global Partnership on Artificial Intelligence was founded in June 2020, and is based at the
 OECD in Paris. It supports the "responsible and human-centric development and use of AI, in a
 manner consistent with human rights, fundamental freedoms and our shared democratic values."
 Its member states are Australia, Canada, France, Germany, India, Italy, Japan, Mexico, New
 Zealand, the Republic of Korea, Singapore, Slovenia, the UK, the Us, and the EU.
- The United States has launched a forum focused on military AI, the AI partnership for defence, whose member states are Australia, Canada, Denmark, Estonia, Finland, France, Israel, Japan, Norway, Republic of Korea, Sweden, the US, and the UK.¹⁰

These proposals – which so far have primarily been promoted by democratic and western countries – are often explicitly or implicitly directed against China. How to work together to advance AI research, support its ethical development and use, while safeguard national interests will be a challenge, democratic states will need to work out together.

⁸ https://www.technologyreview.com/2018/03/16/144630/china-wants-to-shape-the-global-future-of-artificial-intelligence/

⁹ https://www.thetimes.co.uk/article/downing-street-plans-new-5g-club-of-democracies-bfnd5wj57

¹⁰ https://www.ai.mil/docs/AI PfD Joint Statement 09 16 20.pdf



FSD - AN ISRAELI PERSPECTIVE



Germany-Israel Strategic Forum, December 2, 2020

Panel 2: Al as a factor in global geopolitics: Common challenges and opportunities

Artificial Intelligence (AI) is a fast-developing field with far reaching potential implications for national security, international relations and stability, warfare, cyber warfare, ethics, human rights, the future of the democratic system and more. It is already an important factor in the superpower competition, especially between the U.S. and China - each believing that gaining the upper hand in the race for AI superiority may grant it global geopolitical dominance.

Given its unique security challenges Israel is tuning in to AI with a focus on its potential security advantages, especially in the fields of intelligence, cyber warfare (defense and offense), autonomous weapon systems, and command and control. However, it has yet to develop and define an AI national strategy and translate it into a multi-year, budgeted national plan¹¹.

Al raises numerous challenges, not only technological ones. These include among others a potentially dangerous "arms race," threats to global stability including the usage of nuclear weapons, challenges to international arms control regimes, the integration of values and ethical considerations into automated decision-making processes, and new levels of "fake news." It is therefore time for well-developed, likeminded nations such as Germany and Israel to enhance cooperation in order to address some of these challenges and help develop international norms and cooperation to better cope with them.

¹¹ See: Inbar Dolinko and Liran Antebi, "Artificial Intelligence and Policy: A Review at the Outset of 2020", INSS, Strategic Assessment - Academic Survey, Volume 23, No. 1, January 2020; <a href="https://strategicassessment.inss.org.il/en/articles/artificial-intelligence-and-policy-articles/



Introduction of the Partner Organizations



The Forum of Strategic Dialogue (FSD) is an informal platform that facilitates high-level strategic dialogue between Europe and Israel. The FSD provides a forum for Track "One and a Half" diplomacy, beyond the constraints of formal intergovernmental relations. The FSD fosters open communication that encourages participants—senior governmental officials and leading experts—to develop breakthrough ideas which enhance bilateral cooperation and relationship-building.

The FSD has become a unique vehicle for informal consultations between Europe and Israel's top governmental officials and experts and allows for out-of-the-box problem-solving thinking in the fields of defense, security, foreign affairs and economy. In so doing, the FSD contributes to the development of policy based on the mutual understanding of European and Israeli strategic environments, needs and common interests.



EUROPEAN LEADERSHIP NETWORK

The European Leadership Network (ELNET) is a European non-for-profit and non-governmental organization dedicated to strengthening relations between Israel and Europe. To this end, ELNET establishes and supports a professional network in key European countries that facilitates dialogue, knowledge-sharing and strategic cooperation among leaders. ELNET's mission is premised on the belief that close relations between Europe and Israel, based on common interests and democratic values, serve the interests of both sides.



The Federal Academy for Security Policy (BAKS) is Germany's topmost inter-departmental institute for advanced studies, education and training in security policy aiming at present and future senior executives from Federal and State ministries, as well as representatives from the civil society with an interest in security issues. The Academy is directly mandated by the Federal Security Council through its Board of Trustees, which is chaired by the Federal Chancellor. The Federal Academy sees itself as a prominent forum for discussion and, as such, promotes a proactive and open exchange of views on national and international security issues.

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The Hanns Seidel Foundation, named after the former Bavarian prime minister and CSU chairman, is a political foundation, established in 1967. It is politically aligned with the Christian Social Union and engages in political education with the aim of promoting the democratic and civic education of the German people.